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Tax opposed Greek press struggling

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The Greek publishers have lost the first round of their battle with the government over what they consider an excessive tariff, arbitrarily levied, on newsprint.

Both the primary and secondary committees on customs duties have concurred in upholding the legality of the government's decision to fix customs duties costs on newsprint amounting to about 100 percent ad valorem.

Not easily dissuaded, the publishers now have appealed their case to the State Council, Greece's administrative supreme court. They insist customs clearance costs on newsprint should not exceed 17 percent ad valorem in line with Common Market and GATT agreements.

The newsprint tariff is a significant cost factor for newspapers, since all of Greece's newsprint is imported.

Newsprint was duty-free

Greek publishers were getting their newsprint duty-free until the beginning of the year, when the new press law went into effect. The law stipulated that only newspapers with a daily circulation of up to 25,000 would get their newsprint duty free. For higher circulations, a scale of rebates was established until newspapers with a daily circulation of over 100,000 would not, in essence, receive any benefits.

Most of the publishers, especially those with the high-circulation newspapers, reacted by raising their price twice since the beginning of the year and, at the same time, launching a campaign against the government's decision.

Their aim is to have the customs duty reduced so they can lower their price correspondingly and regain the recent circulation loss which they attribute to the two price increases.

Both the primary and the secondary committees for customs duties have been less than convincing in their arguments for concurring with the government's decision. The primary committee maintained that

the high tariff is justified partly because the imported newsprint is chemically blue-green in color and not white. This prompted some caustic humor since the new press law specifies that the use of newsprint in any color other than white is strictly illegal and punishable.

Tariff powers cited

The secondary committee argued that since newsprint was duty-free it had no classification. It should, therefore, pay the duty of the next classification. This committee admitted, however, that the government has in fact the power to fix the tariff at any level it desires.

Spokesman for the government has been the alternate minister to the Premier, John Agathangelou, a practicing lawyer in Salonika before his appointment to the Army-backed Cabinet.

He recently wrote a letter to all publishers who have been campaigning against the high duty and who own the large circulation newspapers. Most of these newspapers maintain either a critical or an antigovernment attitude.

Mr. Agathangelou contended that the Greek government was not bound by any agreements which would dictate a 17 percent customs clearance cost of newsprint. He implied that the second increase in the price of the newspapers was motivated by considerations other than absorption of the duty cost, and, finally, that the government's press policy of customs duty rebates aimed at contributing to the freedom of the press.

Agreement text printed

The publishers involved were quick to counter by publishing photostats of the agreement text with the Common Market. They went on to claim that Mr. Agathangelou had agreed the publishers had no alternative but to go through with the second price increase. And they disagreed that the system of rebates contributed to the freedom of the press.

They said the government had in fact been prejudiced against the high-circulation newspapers. What is more, they argued, freedom of the press was better assured through equal treatment for all, less interference, and fair distribution of government advertising revenue. In private, they complained of sizable handouts to only a few newspapers in the form of advertising and publicity.

In the face of what has been transpiring, publishers are basically divided into two groups.

One group holds that Greece's leaders have made up their minds to force the large-circulation newspapers either to go bankrupt or to cut down their size. Then the authorities could exercise control on the remaining newspapers through economic pressure.

The other group takes the position that Premier George Papadopoulos will, in the course of time, realize all the shortcomings

This second group goes further by absolving the Premier and blaming some

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